**Q.** **(Reference CA-NP-003 Footnote 1, Attachment A; CA-NP-014) CA-NP-003 states the proforma revenue requirement estimate associated with the 2027 Capital Budget is not completed by program/project and therefore the requested breakdown cannot be provided. Attachment A provides an aggregate estimate of approximately $9.8 million increase in annual revenue requirement, consisting principally of return, depreciation and income taxes and an approximate $59.1 million increase in average rate base. CA-NP-014 indicates that Newfoundland Power primarily relies on engineering judgment, together with quantitative and qualitative information, to assess risk and inform its capital planning process.**

**a) For individual material capital projects or programs, please explain whether NP prepares, as part of its internal evaluation and approval process, an estimate of the resulting impacts on: i) rate base; ii) depreciation expense; iii) financing costs and/or return; iv) income taxes; v) operating costs or savings; and vi) overall revenue requirement. If yes, please identify the threshold or other criteria for preparing such an analysis and provide the analysis prepared for the material projects or programs included in the 2027 Capital Budget. If not, please identify the financial measures used by NP when evaluating the customer cost of individual material capital investments.**

**b) Please explain whether and how the financial or revenue-requirement consequences of an individual capital investment are considered in determining its timing and prioritization relative to other capital investments.**

**c) Further to part b above, please identify the financial measures or criteria used and provide an example from the development of the 2027 Capital Budget where consideration of such consequences affected the timing, scope or prioritization of a capital expenditure. If there are no such examples, please explain why not.**

**A.** a) Newfoundland Power prepared its *2027 Capital Budget Application* in accordance with the Provisional Guidelines. The Provisional Guidelines require a revenue requirement impact analysis assuming that the capital budget is approved in full, as opposed to individual capital projects or programs.[1] See the response to Request for Information CA-NP-003 for further information regarding the *pro forma* revenue requirement and customer rate impacts associated with the proposed 2027 capital budget.

b) See part b) of the response to Request for Information CA-NP-080. For further information on the Company's methodology for prioritization of capital projects, see Appendix C of the *2027 Capital Budget Overview*.

c) See part c) of the response to Request for Information CA-NP-080.

[1] See *Appendix A: I.C. Rate Impact Summary of the Provisional Guidelines*.